



# USAID | CAMBODIA

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Illegal logging at Phnom Aral protected areas, Kompong Speu Province, Cambodia.

## BACKGROUND

Since 2002, USAID Cambodia has provided approximately \$3.8 million to support projects in economic growth and the environment. Although Cambodia has experienced steady growth since 1999, the economy is narrowly based- built on garment exports and a nascent but growing tourist industry, but little else. With the end of the textile quota system, this was fear to potentially cause a downturn in economic growth. However, the results of a USAID sponsored survey shows that Cambodia's garment industry appears to be holding its own and is indeed more competitive than several other countries in the region.

On the other hand, Cambodia suffers from a poor business climate including lack of transparent business rules and regulations, few or weak business associations, high infrastructure, credit (if available) and energy costs and lack of supporting commercial legal systems and frameworks. USAID economic development programs include support for trade, a development credit authority, and a small/medium enterprise development program. USAID is addressing the issue of competitiveness and labor management in Cambodia's manufacturing industry, as well as promoting stimulation of diversity and attractiveness of the country's industrial and business climate.

USAID also works with our partners to protect and manage Cambodia's natural resources and environment, along with promoting good governance to provide responsible and accountable stewardship in all sectors. USAID's existing projects work throughout the country but with particular emphasis on activities in Koh Kong, Mondolkiri, Ratanakiri, The Mount Aural Protected Area, Battambang, Siem Reap and several other provinces.

## PARTNERS

**The Asia Foundation (TAF):** Provides a sub-grant to Small-Medium Enterprise Development of Cambodia (SME/C). The project realizes the necessity of stimulating Cambodia's business development sector, and the fostering of small and medium enterprise growth and development and Business Development Associations.

**Community Forestry International (CFI):** The program supports communities and local sub-grantees to be able to manage local community forest resources.

**Wild Aid:** Wild Aid programs promote community agriculture development and fighting of illegal trafficking of forest and wildlife products.

**Global Witness Trust (GWT):** The program monitors and reports on illegal logging and advocates for conservation of protected forest areas.

**Nathan Associates:** Conducting a competitiveness survey of Cambodia's garment manufacturing industry and provides recommendations for training for factory workers.

## RESULTS TO DATE

USAID-funded programs have achieved a number of important results in:

- Establishment of 19 Business Development Associations by the organization Small-Medium Enterprise Cambodia through a sub-grant by the Asia Foundation.
- Alternative livelihood opportunities developed by Wild Aid for over 180 families formerly dependent upon destructive and unsustainable utilization of the forest to survive.
- Implementation of DCA for Micro-Finance Institutions through a commercial bank located in Phnom Penh, Canada Bank, for up to a 50% loan guarantee.
- Advocacy by GWT has resulted in increased national and international attention to the Cambodian government's degree of enforcement of forest and environmental laws, as well as its support for environmental NGOs.
- Training of 55 forest rangers by Wild Aid to protect the wildlife sanctuary in the Cardamom Mountains region.
- 90% of Phnom Penh's restaurants have stopped serving wildlife, and over 17,000 animals have been rescued.
- Community Forestry Training through several sub-grants by the Community Forestry Alliance for Cambodia in 83 villages for over 9,000 families.



# ECONOMIC GROWTH & ENVIRONMENT